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CENTRAL INTELLIGENCE AGENCY
NATIONAL FOREIGN ASSESSMENT CENTER

15 January 1980

REVIEW OF SOVIET INTERNAL AFFAIRS

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Domestic Politics

The recent incapacitation of its top party and government leaders apparently produced no new sense of urgency in the Soviet leadership about succession preparations. Moving with the deliberateness that has become a hallmark of the Brezhnev regime, the leadership managed to finesse the question of replacing its ailing 75-year-old Premier and indicated it was in no hurry to hold a party congress that could designate a successor to Brezhnev, who marked his 15th year in power in October. In a demonstration of the strengths of collectivity, the Politburo functioned for extended periods without the full participation of the top two leaders, probably reaching even its most critical decision--the invasion of Afghanistan--without the active involvement of Kosygin.

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This review is based on analysis and research work completed by CIA's National Foreign Assessment Center through 10 January 1980. The contributions have been reviewed by appropriate individuals within NFAC but have not been formally coordinated. Comments are welcome and may be addressed to

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Premier Kosygin's illness was more serious. [REDACTED]

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[REDACTED] His daughter, Lyudmila, told Western reporters only that she "hoped" her father would be able to resume his duties, while other Soviet observers expressed serious doubts about his prospects. [REDACTED]

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The Plenum

Despite the apparent gravity of his condition, no action was taken to remove Kosygin from his posts at the November Central Committee plenum and Supreme Soviet sessions. The plenum made only two leadership changes, electing agriculture Secretary Mikhail Gorbachev a candidate member of the Politburo and promoting First Deputy Premier Nikolay Tikhonov, a Brezhnev protege, from candidate to full membership. The promotion of Kosygin's principal deputy enhanced his authority to act in the Premier's absence and made him the man best placed to succeed Kosygin. In a sense, however, a Tikhonov succession would be yet another example of decisions deferred: at age 74, he could be little more than an interim Premier. [REDACTED]

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Succession Signals

The plenum shed little light on the standings of potential Brezhnev successors. The candidate whose interests appeared most directly affected, however, was Kirilenko. Brezhnev's harsh criticism of heavy-industry ministers and enterprise managers seemed to reflect badly on Kirilenko, who has principal

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responsibility for that sector. Brezhnev also revealed that 1980 was to be a year of "active preparation" for the 26th Party Congress, suggesting that the congress itself would not be held until 1981. Before the plenum, Kirilenko appeared to be pushing for an earlier date, probably reasoning that time was working against his candidacy. [REDACTED]

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Other developments, however, seemed to be in Kirilenko's favor. In mid-October he made a solo trip to Hungary that received unusually heavy play in the media. [REDACTED]

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[REDACTED] This media splash was followed by another in November, when he was selected to deliver the speech marking the anniversary of the October Revolution. Kirilenko, who had previously given the address in 1973, was chosen over other Moscow-based Politburo members-- Ustinov, Andropov, and Chernenko--who have yet to be tapped for the honor. Another favorable sign came with the December nominations to republic supreme soviets, when Kirilenko was once again characterized as a "prominent party and state figure"--an honor he failed to receive during nominations to the USSR Supreme Soviet in 1978. [REDACTED]

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Chernenko, the other frontrunner for Brezhnev's post, also fared relatively well. When he accompanied Brezhnev to East Germany in October, he was singled out for special honors by East German party chief Honecker, who presented him with the Karl Marx Award and described him, according to Neues Deutschland, as among Brezhnev's close comrades-in-arms--a characterization that Pravda upgraded to Brezhnev's "closest comrade-in-arms. Chernenko received yet another honor in December, when he traveled to Bulgaria to receive the Order of Georgi Dimitrov from party chief Todor Zhivkov. [REDACTED]

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In addition to his increased visibility, there were signs that Chernenko might be broadening his range of responsibilities. In October, the journal Party Life gave a boost to his authority in cadre matters, one of Kirilenko's main spheres of oversight, by listing works by Lenin, Brezhnev, and Chernenko as recommended reading on the subject. His appearance on the dais at Militia Day festivities in November suggested he might also be involved in security matters. [REDACTED]

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Chernenko had only mixed success in improving his protocol standing, however, indicating that his backing by Brezhnev may be meeting with some stubborn resistance. On the anniversary of the Bolshevik Revolution, he stood next to last among the Moscow-based Politburo members present for the parade--

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[REDACTED]

the same position he had held six months earlier on the May Day reviewing stand. His standing seemed to improve in December, however, when he ranked fifth--after Brezhnev, Kosygin, Suslov, and Kirilenko--in the gradation of epithets for leaders nominated to republic supreme soviets. [REDACTED]

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The succession picture, in short, remained as murky as ever during this reporting period, with the leadership providing no indications of active preparation for Brezhnev's departure. In October, Novosti Press Agency chief Lev Tolkunov counseled against any such speculation, in fact, telling his Japanese counterpart that Brezhnev was still healthy enough to be reelected at the next party congress. [REDACTED]

[REDACTED]

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Economic Affairs

The Soviet economy has suffered one of the worst years on record with GNP growing less than 1 percent and industrial output rising no more than 2 percent. A major crop failure in 1979 has compounded Moscow's economic woes and will have a major impact on food availability through much of 1980. [REDACTED]

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Farm Failures

The disappointing harvest of grain and other crops caused a 6 percent decline in farm output in 1979. The lateness of the grain harvest and wet conditions, moreover, have reduced grain quality. [REDACTED]

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[REDACTED] the Soviets had purchased close to 40 million tons of grain, soybeans, and soybean meal for delivery between July 1979 and June 1980. The US embargo on grain shipments, however, will curtail delivery of nearly half these purchases, forcing Moscow to make substantial cuts in livestock feeding and herds. [REDACTED]

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Energy

Energy production in 1979 did not meet plan targets. Oil output averaged about 11.7 million barrels per day or 160,000 barrels per day below plan. Moscow's most immediate energy problem is ensuring fuel supplies for the winter. Because fuel shipments took a back seat to grain transfers last fall, the Soviet press has complained that winter fuel stockpiles grew too slowly. [REDACTED]

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Brezhnev Reiterates Economic Problems

In his 27 November speech to the party plenum, Brezhnev gave the standard list of reasons for current economic difficulties. Among individual sectors of the economy, Brezhnev first cited the poor performance of the transportation sector, especially rail transportation where more equipment, repair service and more efficient loading and unloading are needed. [REDACTED]

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In an unprecedented move, Brezhnev cited eleven ministers by name for mishandling the economy. He stated in no uncertain terms that the party leadership--specifically the Secretariat--would play a greater direct role in running the economy and calling government leaders to account. He gave unusual emphasis [REDACTED]

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[redacted]

to increasing consumer welfare, particularly food quality. Brezhnev warned that unless the flow of desired consumer goods were increased substantially, responsible individuals would be punished. The willingness to spend record amounts of hard currency for grain and other livestock feed and to tolerate the serious rail disruptions arising from moving huge quantities of grain, confirms Moscow's determination to minimize popular dissatisfaction with food supplies. [redacted]

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The 1980 Plan

Brezhnev offered no real solutions to current economic problems. Long term policy solutions evidently will be the focus of the 1981-85 plan. In the interim, 1980 will be a year of growth far short of rates envisioned in the original 1976-80 plan. Even the implied GNP growth of 4.6 percent for this year will be difficult to achieve. The plan goals for many commodities seem beyond reach, particularly the targets for oil and gas condensate, steel, chemicals, and cement. Industrial growth in 1980 is likely to be hampered by fuel shortages this winter, even with mild weather. [redacted]

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